



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

July 23, 2002

Farm Loan Program (FLP)

The Farm Bill includes several provisions that change requirements for making FSA direct farm loans. Provisions of the ACT became effective when signed by the President on May 13, 2002.

Down Payment FO Loans

1. The FSA down payment loan increases from 30% to 40% of the purchase price or appraised value, whichever is less of the farm or ranch to be acquired.
2. Balloon payment prohibition has changed from 10 years to 15 years on the other lender financing.
3. The maximum limit on the terms for the FSA down payment loan increased from 10 years to 15 years.

Definition of Beginning Farmer or Rancher

The definition of beginning farmer or rancher contained in FmHA Instruction limits the acreage an applicant can own to 25% of the average farm size in the county where the property is located. The Farm Bill increases this limitation to 30%.

The U.S. Dept of Agriculture (USDA) prohibits discrimination in all its programs and activities on the bases of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Or file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Ave., SW, Washington, DC 20250-94101 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

LEN E. BLAYLOCK JR, State Executive Director
MICHAEL L. DUNAWAY, Administrative Officer
TONY FRANCO, Chief, Price Support
Telephone (501) 301-3000

SHARON SCHAFER, Chief Prod Adj/Compliance
CLAYTON PARR, Chief Conservation
DAVID NIX, Executive Staff Assistant
MARVIN SUTTERFIELD, Chief Farm Loans

Production Adjustment/Compliance

July 15th Acreage Reporting Date Extended

The final acreage reporting date for spring-seeded crops for Arkansas has been extended to **August 1st for 2002 crop year ONLY.**

New Revised Crop Reporting Requirement

Under the new farm bill, the Farm Security and Rural Investment Act of 2002, acreage reports for crop years 2002 through 2007 are required for **ALL** cropland on a farm as a condition of receipt of direct payments, counter-cyclical payments, loan deficiency payments (LDP's), and marketing assistance loans. For more information, contact your local FSA office.

Program Deadlines

Year 3 Lamb Meat Adjustment Assistance Program

August 15, 2002

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

On May 13, President Bush signed into law the 2002 Farm Bill. The Farm Service Agency will be using all available means to provide you with complete and timely information on the new programs and provisions of the 2002 Act. Farm producers and other related persons need to pay close attention to county office mail and be prepared to respond to anticipated policies and procedures that may arise.

Production Flexibility Contracts

Producers with Production Flexibility Contracts authorized under the AMTA in the 1996 farm law must continue to follow contract requirements. PFC payments for 2002 will continue to be issued until September 30, 2002, provided all eligibility requirements are met.

Direct and County-Cyclical Payments

Many of the 2002 Act provisions authorizing "direct" and "counter-cyclical" payments are similar to PFC provisions and begin with the 2002 crop year. Direct and counter-cyclical payments will be reduced by the amount of the PFC payment already received. Owners have multiple options, including the opportunity to establish or update bases and yields for wheat, corn, sorghum, barley, oats, upland cotton, rice, soybeans, and oilseeds ("covered" commodities). Only producers who elect to update their bases will be given the opportunity to update their yields. In addition, peanuts will be eligible for direct and counter-cyclical payments.

FSA Service Centers are compiling acreage data from reports producers have already filed to assist them in making their selections. Owners and operators of farms with crops that are eligible for direct and counter cyclical payments soon will be sent this information.

Price Support

Apple Market Loss Assistance Payment Program

Signup for the Apple Market Loss Assistance Payment Program (AMLAP-II) began on April 29, 2002 and continues. An ending signup date has not been established as of this date. AMLAP-II is available to producers on apple operations, if the apple operation produced and harvested apples during the 2000 crop year. Producers must file Form CCC-891 to apply for AMLAP-II benefits in the county where the apple operation is located.

Special Provisions for 2001 Crop Loan Deficiency Payment (LDP) Commodities

For 2001 crop year ONLY, LDP's are authorized for eligible producers who lost beneficial interest before submitting an LDP request, and (1) did not receive a loan or LDP on the applicable commodity, (2) the applicable commodity harvested would have otherwise been eligible for a marketing assistance loan or LDP, and (3) producer has not exceeded the 2001 crop year payment limitation of \$150,000. LDP's are authorized for eligible producers who produced contract commodities and retained beneficial interest, or produced and harvested eligible contract commodities on non-PFC farms.

Producers who are eligible for LDP under these special provisions must request LDP's on or before 30 calendar days after publication of regulations in the Federal Register. The final date will be announced by the local FSA county office.

Graze Out Payments

FSA is now accepting applications from eligible producers who elect to use acreage planted to wheat, barley, or oats to graze livestock and give up any other harvesting of the crop. The payment will be determined using the loan deficiency rate in effect as of the date of the agreement.

Arkansas Webb Address: <http://www.fsa.usda.gov/ar>
